

# **Butte Choice Energy**

## **Request for Proposals**

**For**

## **Power Supply and Scheduling Services**

Solicitation Number: 20-001

**RFP Release Date: January 28, 2020**

**Response Deadline: February 13, 2020**

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## Overview

Butte Choice Energy (BCE) is requesting proposals for electric power supply and scheduling services to serve retail electric customers who will participate in BCE's Community Choice Aggregation Program. BCE is currently comprised of the County of Butte and the City of Chico. The Business Plan for BCE is available online at [ButteChoiceEnergy.org](http://ButteChoiceEnergy.org).

On November 18, 2019, two jurisdictions joined together to form a Joint Powers Authority to provide electric retail service to customers within their jurisdictions pursuant to California's Community Choice Aggregation (CCA) statutes. BCE's service area is the geographical area of the City of Chico and unincorporated Butte County, the electric customers of which (Except for direct access customers) are currently service by Pacific Gas & Electric (PG&E). BCE's implementation objectives are to 1) provide electric generation rates that are 3-4% lower than the generation rates offered by PG&E 2) offer a default product that is between 36-40% RPS qualifying renewable content at competitive rates, 3) offer voluntary products that are 50% and 100% renewable at competitive rates for comparable PG&E products, and 4) include local/regional resources as much as possible.

It is anticipated that BCE will ramp up to full operation in one phase. This RFP is intended to fulfill the needs of all anticipated BCE accounts. Phase 1 will initiate the operations of BCE and include all residential service accounts in BCE's service area. A timeline and summary of the expected characteristics of this phase is presented below as well as a load curve for this phase.

**Exhibit 1**  
**Estimated Electric Consumption for Anticipated BCE Accounts**

BCE Demand	2021	2022	2023	2024	2025
Retail Demand	448	967	977	984	990
Losses and UFE	31	68	68	69	69
<b>TOTAL DEMAND</b>	<b>479</b>	<b>1,035</b>	<b>1,046</b>	<b>1,053</b>	<b>1,060</b>
<b>BCE Supply</b>					
Total Renewable Resources	157	368	391	482	436
Total Conventional Resources	322	668	655	571	624
<b>TOTAL SUPPLY</b>	<b>479</b>	<b>1,035</b>	<b>1,046</b>	<b>1,053</b>	<b>1,060</b>

Exhibit 2 Butte Choice Energy	
BCE Customers	Eligible Accounts
Residential	91,582
Small Commercial	9,671
Medium Commercial	672
Large Commercial	303
Industrial	10
Street Lighting & Traffic	1,479
Agricultural & Pumping	1,976
<b>Total</b>	<b>105,694</b>

## Submissions, Questions, and Anticipated Schedule

The RFP will be conducted in accordance with the schedule set forth below.

Release RFP	January 28, 2020
Deadline for Question Submittal	February 7, 2020
Responses posted to website	February 10, 2020
Proposal Submission Deadline	February 13, 2020
Finalist Selection/Interviews	February 13-February 20, 2020
Finalize Staff Recommendations	February 20, 2020
Award of Contract and Notification	February 26, 2020
Contract Completion/Commence Work	March 1, 2020

## Term of Agreement

Requested services are to be provided during BCE's CCA implementation and program enrollment period, anticipated to be March 2020 - December 2021. BCE reserves the right to extend the agreement by an additional 12 to 24 months for "Day 2" operational power services expected to commence on or about January 1, 2022. Respondents must respond to the initial '2020-2021' scope of work ending on or about December 31, 2021. We encourage respondents to provide a proposed scope of work and projected pricing for the additional 12-24 months of Day 2 operating services as well.

## Proposal Information, Organization, and Content

If awarded, the bidder's proposal in response to this RFP will be incorporated into a final agreement between BCE and the selected contractor. All Proposals shall contain, at a minimum, the following information:

### 1. Cover Letter

The cover letter should be brief (two pages maximum) and provide a short synopsis of the Proposer's approach to completing tasks and delivering project products and services. Describe how the delivery of services will be provided. If a team arrangement is proposed, BCE will recognize the integrity and validity of Proposer's team provided that:

- The arrangements are clearly identified, and relationships are fully disclosed; **and** a primary (Lead) Proposer is designated who will be responsible for all contract performance.
- The signature of the individual authorized/obligated to commit the bidder to this project is included.
- In signing proposal, statement that the bidder agrees that the terms of proposal and the costs as submitted are firm for a period of 120 days from proposal due date, unless otherwise negotiated with BCE.

The cover letter should also include

- The RFP number and title
- Name and address of proposing firms and/or individuals
- Phone and email address of sole or lead proposer
- Primary contact person

### 2. Table of Contents

This section should include clear identification of the materials by section and. Page numbers.

### 3. Bidder's Capabilities

All Proposals must provide a comprehensive description of the Bidder's qualifications, as described in the Bid Evaluation Criteria section below, and capabilities applicable to the Scope of Work including but not limited to the following:

- Demonstrates direct experience within and understanding of the California energy and electrical markets, including relevant legislation and regulations applicable to BCE and its major participants – investor owned utilities, CA Independent System Operator, energy service providers and independent power producers, California Public Utilities Commission, and other key market players.

- Demonstrates experience in resource planning and energy procurement.
- Demonstrates experience in California energy compliance reporting as it relates to BCE.
- Demonstrates experience with CAISO and power scheduling
- Possess all licenses and professional credentials relevant to performing services as specified under this RFP.

#### 4. Scope of Work

Please refer to the Scope of Work section for detailed requirements. Bidders are encouraged to propose enhancements or procedural or technical innovations to the Scope of Work that do not materially deviate from the objectives or content of services included in this RFP. Bidder(s) shall at a minimum include:

- Provide a narrative, which addresses the Scope of Work, and shows understanding of the needs and requirements of BCE.
- Describe the approach to completing the tasks specified in the Scope of Work. The work plan shall be of such detail to demonstrate the bidder's ability to accomplish the project objectives.
- Outline sequentially the activities that would be undertaken in completing the tasks and specify who would perform them and what the associated costs would be.
- Furnish a project schedule for completing the tasks in terms of elapsed weeks from the project commencement date.
- Identify methods that bidder(s) will use to ensure quality control as well as budget and schedule control for the project.
- Identify any special issues, problems or risks that are likely to be encountered in this project and how the bidder(s) would propose to address them.

#### 5. Schedule

Please include a detailed schedule which lists milestones and estimated completion dates for each of the tasks.

#### 6. Proposed Budget and Cost of Services

Please include an estimated budget and fee itemizations by year and task including travel expenses. Include all costs that may be relevant to the services proposed.

#### 7. References

Please provide three (3) references, including names and contact information, for which you have performed similar work. References should not include any BCE member agencies, interim staff or Board members.

#### 8. Project Team Staffing

Please include biographies and relevant experience of key staff and management personnel who would be assigned to the project.

## 9. Company Overview

Please provide the following for your company:

- Official registered name, address, main telephone number, and toll-free number(s).
- Primary key contact name, title, address (if different from above address), direct telephone number(s).
- Brief history, including year established, relevant financial information, and relevant experience with CCAs.
- The proposer or any guarantor must provide the following: (1) Audited financial statements from the prior two years of operations, (2) A credit rating from two of the following: Standard & Poors, Moody's, or Fitch Investor Services from the most recent rating agency report.

## 10. Statement of No Conflict/Anti-Trust

Please provide a statement that describes how bidder(s) will adhere to anti-trust and collusion laws while providing service to BCE. Also provide a statement that confirms that bidder(s) and any subconsultants responding to this RFP shall avoid organizational conflicts of interest which would restrict full and open competition in this procurement and subsequent procurements. An organizational conflict of interest means that due to other activities, business units, relationships or contracts that bidder(s) would be unable, or potentially unable, to render impartial assistance or advice to BCE consistent with the requirements of California Government Code section 1090; or that a bidder's objectivity in performing the work identified in the Scope of Work is or might otherwise be impaired; or bidders have an unfair competitive advantage.

## Bid Evaluation Criteria

Proposals are being solicited from qualified service providers with demonstrated experience in California and western energy markets, as well as experience working with CCA programs in California. Qualified proposers may be a single company or a group of them that forms a team for purposes of this solicitation.

Bidders must possess the following minimum qualifications:

- 7-10 years experience with California energy markets, including CAISO market operations and regulations applicable to California energy programs
- 10 years experience in power procurement and portfolio planning and management services

- 10 years experience in the development and evaluation of risk management policies and regulations

Bidders should also demonstrate appropriate experience, knowledge and skills that include but are not limited to the following:

- Experience with electricity load forecasting and data analysis
- Experience in risk management and energy portfolio management
- Knowledge of CCA formation process in CA and knowledge of CA laws, regulations and compliance requirements governing CCAs in CA
- Experience with developing and evaluating bids for power resources including: financial and economic analysis and modeling and analysis of energy demand and market pricing
- Experience/knowledge of CA energy compliance reporting

BCE reserves the right to consider other factors than those specified above and to request additional information from suppliers. Through issuance of this RFP, BCE makes no commitment to any supplier that it will be awarded a contract to provide the solicited services. BCE reserves the right to discontinue this RFP process at any time for any reason. Proposals that fail to meet the RFP requirements may be rejected; however, BCE may waive minor irregularities in proposals if so doing would be in the best interest of BCE. BCE reserves the right to request additional information from any/all respondents as part of the selection process.

Proposals will be evaluated based on the following non-exhaustive factors and will be scored using a 100-point maximum.

<b>Evaluation Criteria</b>	<b>Points Possible</b>
Contractor Capability and Experience	25
Management, Personnel and Qualifications	25
References	25
Cost to BCE: Clarity and cost for pre-launch and post-launch services	25

As reflected in the evaluation criteria, contract award will not be based solely on cost, but on a combination of factors as determined to be in the best interest of BCE. After evaluating the proposals and any oral interviews, BCE reserves the right to further negotiate the proposed work and/or method and amount of compensation.

Any award of a contract resulting from this RFP will be based upon the most responsive Proposal whose offer will be the most advantageous to BCE in terms of cost, functionality, effectiveness in meeting goals and objectives, and other factors as specified elsewhere in this RFP, as determined solely by BCE decision makers. BCE reserves the right to:

1. Disqualify any and all Proposals that are not submitted in accordance with the required format described in this RFP



2. Reject any and all Proposals submitted
3. Request additional information
4. Issue Addenda to this RFP
5. Award all, part, or none of the work contemplated in this RFP
6. Remedy errors in the RFP
7. Cancel the entire RFP
8. Issue a subsequent RFP
9. Approve or reject the use of a particular subcontractor/supplier
10. Negotiate with any, all or none of the Proposers. If BCE is unable to negotiate a final contract
11. Terms and Conditions that are acceptable to BCE, BCE reserves the right to award the contract to another Proposer
12. Accept other than the lowest priced Proposal
13. Award a contract without interviews, discussions or negotiations

## Scope of Work

The services being requested by BCE under this RFP are described below. Service provider bids should incorporate all of these requested services.

### **California Independent System Operator (CAISO) Scheduling Coordination**

All CAISO interface services, which includes the submission to the CAISO of all schedules and meter data reports required to be filed by the Scheduling Coordinator (service provider) for the meters enrolled in the BCE service territory, and the submission of schedules, bids, and other required information for BCE's shaped energy, renewable energy, and resource adequacy capacity in accordance with the obligations of a service provider as defined by the CAISO.

Service provider services include short-term forecasting of load (i.e., week-ahead, day-ahead, and hour-ahead), scheduling load into the CAISO day-ahead market, scheduling services, validating CAISO statements for load settlements, minimizing and managing real-time imbalance exposure, as well as the initial set-up and ongoing management of the Congestion Revenue Rights (CRR) portfolio through the CRR allocation and potentially bidding into the various CRR auctions. The CAISO required security deposit is the responsibility of the service provider. The cost of this deposit should be included in the bid price for the requested services.

Additionally, the service provider will be required to submit regulatory and compliance filings, such as monthly Resource Adequacy (RA) compliance reports, to the CAISO on behalf of BCE. It is expected that bidders will provide an approach and schedule for submitting compliance reports to the CPUC, CEC, and CAISO as they relate to powers supply and scheduling.

It is also expected that the service provider will be responsible for satisfying the various CAISO financial requirements and obligations (i.e., collateral obligations), as well as all applicable regulatory requirements imposed by the California Public Utilities Commission and the Federal Energy Regulatory Commission. Service providers must be certified by CAISO as a service provider, or must put forward a certified service provider that will be responsible for scheduling

loads and resources under the proposal. If the service provider is not a certified CAISO service provider and will be putting forward a third-party to serve in this capacity, BCE will require these proposers to submit responses that are co-signed by the anticipated service provider, verifying the intended business relationship and the anticipated scope of services to be provided.

### **Risk Management**

Selected service provider will help develop and participate in a risk management process, as well as produce, maintain, and publish reports tracking BCE compliance with portfolio exposure, market risk and credit limits. Service provider will be expected to identify and present risk-mitigation strategies to BCE's risk management team and leadership. Particular attention will be paid to proposed approaches to manage the risk to rate competitiveness posed by the PCIA and how to incorporate those approaches within BCE's procurement strategies. Service provider may also assist with drafting, implementing and complying with appropriate Energy Risk Management Policies and will assist BCE management and staff in presenting various reports and results to the BCE Board.

### **Power Procurement**

Service provider will be expected to prepare and issue power supply RFPs and negotiate power contracts on BCE's behalf, and/or assist BCE in procuring all requisite energy, resource adequacy (RA), capacity, renewable and greenhouse gas (GHG) free products to meet BCE's power supply portfolio requirements while fully complying with applicable regulatory and legislative mandates, CAISO rules and practices, and BCE Program goals and objectives, including its enterprise risk management policy. Activities will include issuing RFPs for multi-year off-take agreements, reviewing and evaluating bids, and negotiating bilateral power-purchase agreements with third-party power providers.

BCE will need a significant amount of new renewable resources and is required to purchase at least 65% of its RPS requirement from long-term contracts. Explain your approach to acquiring renewable resources that meet the state mandates. Also, explain your strategy for acquiring new renewable projects within Butte County.

### **Optional Add-on Services**

#### **Integrated Resource Plan (IRP)**

As future load serving entity, BCE will likely be required to submit an IRP to the Commission on May 1, 2020. This optional task, if included in respondents' proposal, should be priced separately and pricing should include all services required to file an IRP to the Commission. The selected vendor will develop a long-term integrated resource plan that considers both demand-side reductions (through energy efficiency and demand response) as well as conventional and renewable supply. The resource plan will estimate the percentage of total electricity demand that will come from renewable and non-renewable resources. This should take into consideration SB 350's long-term eligibility requirements, electric storage requirements, and other relevant factors including an understanding of CPUC-jurisdictional IRP requirements for load serving entities and familiarity with CPUC IRP tools. Proposers should describe their

experience in developing IRPs for CCAs or other load serving entities, the modeling they would use, and a plan for optimizing resource attributes and values.

### Supplier Proprietary Information

Information submitted in response to this RFP will be used by BCE or its designated representatives, including consultants, solely for the purpose of evaluating this RFP. Proprietary data should be specifically identified on every applicable page of the supplier's submittal; suppliers should mark or stamp applicable pages as "Confidential" or "Proprietary." Reasonable care will be exercised so that information clearly marked as proprietary or confidential will be kept confidential, except as required by law or regulatory authority. BCE and its employees and consultants will not be liable for the accidental disclosure of such data, even if it is marked.

### Proposal Delivery

Statement of qualifications must be received by 5:00 PM Pacific Time on February 13, 2020. Responses must be emailed directly to Amber Nyquist at [nyquist@eesconsulting.com](mailto:nyquist@eesconsulting.com). All questions regarding this RFP should be addressed to Amber Nyquist as well.

## Appendix A

### Questions for Power Supply and Scheduling Consultants

#### Details on Experience

- 1) Does your firm currently provide Scheduling Coordinator services to one or more CCAs? If yes, please list the CCAs.
- 2) Does your firm currently provide Scheduling Coordinator services to entities other than CCAs that reside within CAISO? If yes, please list the entities.
- 3) Does your firm currently provide scheduling services to entities outside CAISO? If yes, please list the entities.
- 4) Please provide the names of the entities for whom your firm has purchased Resource Adequacy Capacity? Please specify whether or not your firm has purchased designated system, local RA and/or flexible RA capacity for the entities.

#### Project Management

- 5) Out of which of your firm's offices would BCE real-time energy imbalances be managed?
- 6) Out of which of your firm's offices would CAISO settlement functions be managed?
- 7) What settlement software would your firm use to manage BCE's settlements?
- 8) Out of which of your firm's offices would risk management services be managed?
- 9) Would a representative of your firm be available to attend periodic power supply planning or risk oversight committee meetings at the BCE location? If so, please provide the name of the representative(s) that would be most likely to fulfill this service.

#### Power Resources

- 10) Does your firm have access to renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.
- 11) Does your firm have access to non-renewable energy resources or PPAs that could be used to serve BCE load beginning in 2021? If yes, please list the specific resources and quantity available or, if the information is confidential, the resource types and a range of quantities available. Also, specify whether any of the resources are within Butte County.
- 12) Does your firm have the ability to develop new renewable resources on behalf of the CCA within or outside of Butte County?
- 13) Does your firm have access to Renewable Energy Certificates that could be used to help BCE meet its renewable energy goals beginning in 2021? If yes, please provide REC prices by Portfolio Content Category (i.e. PCC 1, 2 and 3).

- 14) Does your firm currently hold long-term transmission contracts that could be used to wheel power to BCE's service territory? If so, please specify the transmission paths and capacities available on those paths.

### **Pricing and Terms**

- 15) Please provide indicative pricing for hourly load shaped energy, inclusive and exclusive of ancillary services for the years 2021, 2022 and 2023. The expected mix of resource types should be provided as well and match BCE's Business Plan portfolio options. The CCA is planning on offering alternatives to its customers and therefore pricing should be provided for each of the following alternatives:
- a. Meeting RPS standards
  - b. 50% renewable
  - c. 100% renewable
- 16) Please provide indicative scheduling coordinator fees and any other service fees that would be assessed to BCE under a contract with your firm.
- 17) Please indicate your firm's proposed term for scheduling coordinator services. BCE envisions a 2-4 year term for this initial content but is flexible on duration.

### **Financing/Credit Issues**

- 18) Is your firm willing to defer its internal fees during the 3-month start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?
- 19) Is your firm able to provide a delay in billing for power supply during part of the start-up phase until BCE begins receiving revenue from customers? If so, would there be any added cost associated with this deferral?
- 20) Does your firm have the ability to use its own credit facilities on behalf of BCE when procuring power for BCE?
- 21) What is required for CAISO security deposits and does your firm have the ability to provide the deposits upfront? If so, at what cost?
- 22) What level of security deposit is required for power supply purchases and does your firm have the ability to provide the deposits upfront?

### **Reporting**

23. Please provide an outline of Business Intelligence and Reporting tools you will provide to BCE. Reporting tools can provide any of the following:
- a. Reporting for analytics,
  - b. Visualization and reporting,
  - c. Self-Service reporting,
  - d. Aggregation of data reporting,
  - e. Risk management and performance reporting.
  - f. Finance related reporting.